

June 30, 2025

IN THE MATTER OF: THE REAL ESTATE SERVICES ACT

- and -

**IN THE MATTER OF: 0493865 MANITOBA LTD o/a RE/MAX
PROFESSIONALS**

**REASONS FOR DECISION
OF THE SETTLEMENT HEARING PANEL
THE MANITOBA SECURITIES COMMISSION**

Hearing Date: June 17, 2025

Panel:

Panel Chair:	Mr. D. Cheop, K.C.
Member:	Mr. J. McJannet, K.C.
Member:	Ms. D. Ammeter

Appearances:

K. Sharma)	Counsel for Staff of The Manitoba Securities Commission
K. Williams)	Counsel for 0493865 Manitoba Ltd. o/a Re/Max Professionals

Background

On May 2, 2025, Staff ("Staff") of The Manitoba Securities Commission ("Commission") issued a Notice of Hearing under subsection 59(1) of *The Real Estate Services Act* ("RESA") for a hearing to consider whether the registration of 0493865 Manitoba Ltd. operating as Re/Max Professionals ("Re/Max Professionals") should be suspended or cancelled on the basis of allegations set out in a Statement of Allegations that accompanied the Notice of Hearing. Subsequently, a Settlement Agreement was reached between Staff and Re/Max Professionals and this hearing was called to consider whether this Settlement Agreement should be approved. After reviewing the Settlement Agreement and the submissions of Counsel for Staff and Re/Max Professionals this Panel approved the Settlement Agreement and indicated that the reasons for doing so would follow. These are those reasons.

Re/Max Professionals is registered as a brokerage under RESA, and previously as a brokerage under RESA's predecessor legislation, *The Real Estate Brokers Act* ("REBA"), which legislation was in effect until January 1, 2022.

In 2019 Staff became aware of an individual ("DS") who was registered under Saskatchewan real estate broker legislation but who was not registered under REBA and who was advertising properties located in Manitoba for sale. Staff contacted the then managing broker ("SN") for Re/Max Professionals who advised that DS had been appointed to act on Re/Max Professionals' behalf in respect of the sale of the properties. Staff advised SN that Re/Max Professionals could not pay a commission to DS on the sale of a Manitoba property since DS was not registered under REBA. Subsequently Staff obtained a copy of an Agreement on Commissions between DS and SN that stated that SN was entitled to receive a handling fee of \$10,000 for handling the deposits through Re/Max Professionals' trust account on the sale of a Manitoba property with DS entitled to the balance of the commission. In June 2020, DS acted as selling agent on the sale of a Manitoba property and the commission of \$153,562.50 was deposited in Re/Max Professionals' trust account. In October 2020 the Commission issued an order directing the financial institution that maintained Re/Max Professionals' trust account to hold the \$153,562.50 until further order of the Commission.

In the Settlement Agreement Re/Max Professionals acknowledges that:

- (a) it acted contrary to subsection 6(1) of RESA by collecting a commission for real estate services conducted by DS on Re/Max Professionals' behalf despite DS not being registered with Re/Max Professionals;
- (b) it acted contrary to subsection 6(1) of RESA by paying commissions to DS for providing real estate services on its behalf while being aware that DS was not registered with the brokerage and that DS was not registered in Manitoba;
- (c) Re/Max Professionals' conduct, as set out above, was contrary to the public interest.

The Settlement Agreement further provides that Re/Max Professionals will relinquish any interest or claim in the \$153,562.50 in its trust account that is currently frozen by the Commission's order. During the hearing to consider the Settlement Agreement counsel for Re/Max Professionals advised that its intention to repay these funds to the seller of the Manitoba property, if the Commission amended its order to allow this payment. Commission

Staff in turn advised the panel that if the Settlement Agreement was approved it would request that the Commission amend its order to allow this payment to the seller of the Manitoba property.

In the Settlement Agreement Staff acknowledge that:

- at all material times during the improper conduct alleged against Re/Max Professionals it was owned and managed by SN, who has since retired from the industry and who is no longer registered under RESA;
- these allegations of improper conduct do not involve or reflect against the current owners and management of Re/Max Professionals.

Reasons for the Approval of the Settlement:

The Settlement Agreement is the product of negotiations between counsel for Staff of the Commission and counsel for Re/Max Professionals, both of whom recommended acceptance of it. When considering a Settlement Agreement, a Commission panel must recognize the negotiation process and give significant weight to the agreement reached by the parties. Our role is to determine if the agreed upon sanctions are within the boundaries of what a reasonable person, aware of the circumstances, would consider to be in a range of reasonable outcomes. There is a high threshold to be met in order for a recommended Settlement Agreement to be rejected.

This Settlement is somewhat unique in that the only penalty being sought against Re/Max Professionals is the loss of its interest in the \$153,582.50 commission currently being held in it trust account. However, we note that the current owners and management of Re/Max had no involvement in the improper conduct relating to this commission and the intention is to return these funds to the seller of the Manitoba property.

Approval of a Settlement Agreement resolves a matter quickly, efficiently and with certainty. The settlement avoids the time and costs associated with a contested hearing process. In addition, the Settlement Agreement itself becomes public and can serve as a general deterrent to others in the industry against future improper conduct.

In the panel's view the Settlement Agreement falls within the acceptable parameters in the circumstances, and as a whole the resolution is in the public interest. For these reasons, the panel concludes it is in the public interest to approve the Settlement Agreement.

"D. Cheop"

David Cheop, K.C.

Panel Chair

"J.T. McJannet, K.C."

J.T. McJannet, K.C.

Member

"D.A. Ammeter."
D.A. Ammeter
Member